

SANPETE COUNTY
FINANCIAL STATEMENTS
DECEMBER 31, 2005

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INDEPENDENT AUDITOR'S REPORT

The Honorable Board of County Commissioners
Sanpete County
Manti, Utah 84642

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Sanpete County as of and for the year ended December 31, 2005, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Sanpete County's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Sanpete County as of December 31, 2005, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 10, 2006, on our consideration of Sanpete County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis, condition assessment of the County's infrastructure and budgetary comparison information on pages 6 through 14, 39 and 40 through 45 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

The Honorable Board of County Commissioners
Sanpete County
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Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Sanpete County's basic financial statements. The combining and individual nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements of Sanpete County. The combining and individual nonmajor fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.


KIMBALL & ROBERTS, P. C.
Certified Public Accountants

May 10, 2006
Richfield, Utah

SANPETE COUNTY MANAGEMENT'S DISCUSSION AND ANALYSIS

This discussion of Sanpete County's financial performance provided an overview of the County's financial activities for the year ending December 31, 2005. This report is in conjunction with the County's financial statements.

All amounts, unless otherwise indicated, are expressed in thousands of dollars.

The purpose of the County is to provide general services to its residents which includes general government, public safety, public health, highways and public improvements, park and recreation, and economic development. Additional services provided to residents in the unincorporated areas include road maintenance and fire control.

Financial Highlights

- * The assets of Sanpete County exceeded its liabilities as of the close of the most recent year by \$14,816 (net assets). Of this amount, \$3,727 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- * The government's total net assets increased by \$1,336. The revenues were less than the adopted budgeted amounts, and expenditures were less than the adopted budgeted amounts.
- * At the close of the current year, the Sanpete County governmental funds reported combined ending fund balances of \$3,727, an increase of \$1,292 in comparison with the prior year. Approximately 100 percent of this total amount, \$3,727 is available for spending at the government's discretion (unreserved fund balance).
- * At the end of the current year, unreserved fund balance for the general fund was \$3,529, or 54 percent of total general fund expenditures.
- * Sanpete County's total debt increased by \$192 during the current year.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to Sanpete County's basic financial statements. Sanpete County's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements

The *government-wide financial statements* are designed to provide readers with a broad overview of Sanpete County's finances, in a manner similar to a private sector business.

The *statement of net assets* presents information on all of Sanpete County's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of Sanpete County is improving or deteriorating.

The *statement of activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of Sanpete County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges. The governmental activities of Sanpete County include general government, public safety, public health, highways and public improvements, culture and recreation, and economic development. There are no business-type activities in the financial statements of Sanpete County.

The government-wide financial statements include not only Sanpete County itself (known as the primary government), but also two legally separate special service districts, one for fire protection and one for road improvements. Sanpete County is financially accountable for both of them. Financial information for these component units is reported separately from the financial information presented for the primary government itself.

Refer to the table of contents for the location of the government-wide financial statements.

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Sanpete County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of Sanpete County can be divided into two categories: governmental funds and fiduciary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statement, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on balance of spendable resources available at the end of the year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditure, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

Sanpete County maintains five individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, B-Road Fund, E-911 Fund, Municipal Building Authority Fund and Capital Projects Fund all of which are considered to be major funds.

Sanpete County adopts an annual appropriated budget for all its governmental funds. Budgetary comparison statements have been provided for the general fund and major special revenue funds to demonstrate compliance with those budgets.

Refer to the table of contents for the location of the basic governmental fund financial statements.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those fund are *not* available to support Sanpete County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Refer to the table of contents for the location of the basic fiduciary fund financial statements.

Notes To The Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes are part of the basic financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning Sanpete County.

The combining statements referred to earlier in connection with non-major governmental funds is presented immediately following the required supplementary information.

Government-Wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of Sanpete County, assets exceeded liabilities by \$14,816 at the close of the most recent fiscal year.

A portion of Sanpete County's net assets (74 percent) reflects its investment in capital assets (e.g. land, buildings, machinery, equipment and infrastructure), less any related debt used to acquire those assets that is still outstanding. Sanpete County uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although Sanpete County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Governmental Activities:**Sanpete County's Net Assets**

	<u>2005</u>	<u>2004</u>	<u>Difference</u>
Current and Other Assets	3,973	2,564	1,409
Capital Assets	<u>11,927</u>	<u>11,709</u>	<u>218</u>
Total Assets	<u>15,900</u>	<u>14,273</u>	<u>1,627</u>
Long-Term Liabilities	734	628	106
Other Liabilities	<u>350</u>	<u>165</u>	<u>185</u>
Total Liabilities	<u>1,084</u>	<u>793</u>	<u>291</u>
Net Assets:			
Invested in Capital Assets			
Net of Related Debt	11,089	11,045	44
Unrestricted	<u>3,727</u>	<u>2,435</u>	<u>1,292</u>
Total Net Assets	<u>14,816</u>	<u>13,480</u>	<u>1,336</u>

None of Sanpete County's net assets (0 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (\$3,727) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the year, Sanpete county is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental activities.

Governmental activities increased Sanpete County's net assets by \$1,336. Key elements of this increase follows:

Sanpete County's Changes in Net Assets

	<u>2005</u>	<u>2004</u>	<u>Difference</u>
Revenues:			
Program Revenues:			
Charges for Services	2,581	1,568	1,013
Operating Grants and Contributions	1,057	1,725	(668)
General Revenues:			
Property Taxes	2,528	2,328	200
Other Taxes	1,419	1,045	374
Unrestricted Investment Earnings	50	11	39
Grants Not Restricted to Specific Programs.	<u>741</u>	<u>747</u>	<u>(6)</u>
Total Revenues	<u>8,376</u>	<u>7,424</u>	<u>952</u>

Sanpete County's Changes in Net Assets (Continued)

	<u>2005</u>	<u>2004</u>	<u>Difference</u>
Expenses:			
General Government	2,600	2,519	81
Public Safety	2,340	2,311	29
Public Health	267	252	15
Highways and Public Improver	1,475	1,231	244
Culture and Recreation	99	92	7
Economic Development/County Promotion	227	217	10
Interest on Long-Term Debt	<u>32</u>	<u>34</u>	<u>(2)</u>
 Total Expenses	 <u>7,040</u>	 <u>6,656</u>	 <u>384</u>
 Increase in Net Assets Before Transfers	 1,336	 768	 568
 Net Assets - Beginning	 <u>13,480</u>	 <u>12,712</u>	 <u>768</u>
 Net Assets - Ending	 <u><u>14,816</u></u>	 <u><u>13,480</u></u>	 <u><u>1,336</u></u>

Financial Analysis of the Government's Funds

As noted earlier, Sanpete County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of Sanpete County's *governmental funds* is to provide information on near-term inflows, outflows and balances of *spendable* resources. Such information is useful in assessing Sanpete County's financing requirements. In particular *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the year.

At the end of the year, Sanpete County's governmental funds reported combined ending fund balances of \$3,727, an increase of \$1,292 in comparison with the prior year. Approximately 100 percent of this amount, \$3,727, constitutes *unreserved fund balance*, which is available for spending at the government's discretion.

The general fund is the chief operating fund of Sanpete County. At the end of the current year, unreserved fund balance of the general fund was \$2,360, while total fund balance reached \$2,360. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures.

General Fund Budgetary Highlights

During the year the actual revenues were less than budgeted revenues by \$4,071 and actual expenditures were less than budgeted expenditures by \$5,240.

Capital Asset and Debt Administration

Capital Assets

Sanpete County's investment in capital assets for its governmental activities as of December 31, 2005, amounts to \$11,927 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements other than buildings and equipment.

Also, the County has elected to use the modified approach to account for its infrastructure assets, such as roads and bridges. That information can be found in the required supplemental information following the notes to the financial statements.

Sanpete County's Capital Assets (net of depreciation)

	<u>2005</u>	<u>2004</u>	<u>Difference</u>
Land	723	723	0
Valuable Papers	200	200	0
Buildings	42	45	(3)
Improvements Other Than Buildings	481	525	(44)
Equipment	571	403	168
Vehicles	294	197	97
Infrastructure	<u>9,616</u>	<u>9,616</u>	<u>0</u>
Total	<u>11,927</u>	<u>11,709</u>	<u>218</u>

Additional information on Sanpete County's capital assets can be found in the notes to the financial statements.

Long -Term Debt

At the end of the current year, Sanpete County had total bonded debt outstanding of \$755. The debt represents bonds secured solely by specified revenue sources (i.e. revenue bonds), and Capital Lease Obligations.

Sanpete County's Capital Assets (net of depreciation)

	<u>2005</u>	<u>2004</u>	<u>Difference</u>
Capital Leases	228	0	228
MBA Lease Revenue Bonds	<u>527</u>	<u>562</u>	<u>(35)</u>
Total	<u>755</u>	<u>562</u>	<u>193</u>

State statutes limit the amount of general obligation debt a governmental entity may issue to 2 percent of its total fair market value of taxable property in the County. Sanpete County has no general obligation debt outstanding. General Obligation Bonds are debts that are secured by taxing real and personal property for the payments. Revenue bonds are debts secured by a determined and allocated revenue source outside of property taxes. Additional information on Sanpete County's long-term debt can be found in the notes of the financial statements.

Economic Factors and Next Year's Budgets and Rates

- * The unemployment rate for Sanpete County is 5.0 percent. This is slightly higher than the State's average average unemployment rate of 4.8 percent and lower than the national average rate of 5.4 percent which is consistent with prior years because of our rural nature.

These factors were considered in preparing Sanpete County's budget for 2005 year.

Other revenue sources have remained stable.

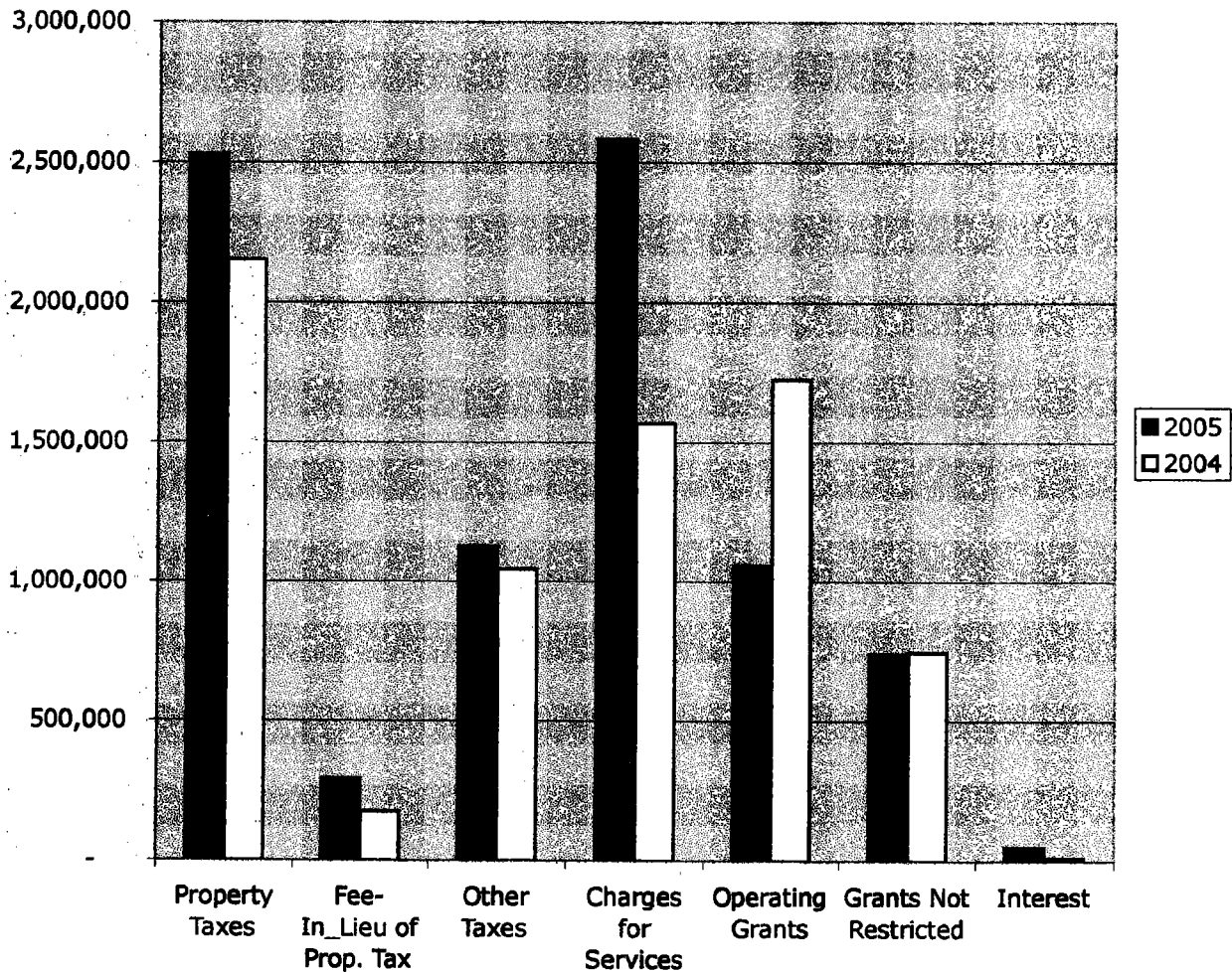
Request for Information

This financial report is designed to provide a general overview of Sanpete County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Sanpete County Clerk/Auditor, 160 North Main, Manti, Utah, 84642.

SANPETE COUNTY
Governmental Revenues
For The Years Ending December 31, 2005 and 2004

	2005	2004
Property Taxes	2,528,497	2,153,949
Fee-In_Lieu of Prop. Tax	292,772	174,389
Other Taxes	1,126,126	1,045,048
Charges for Services	2,581,345	1,568,626
Operating Grants	1,057,228	1,724,806
Grants Not Restricted	740,575	747,169
Interest	49,563	11,119
Total Revenues	<u>8,376,106</u>	<u>7,425,106</u>

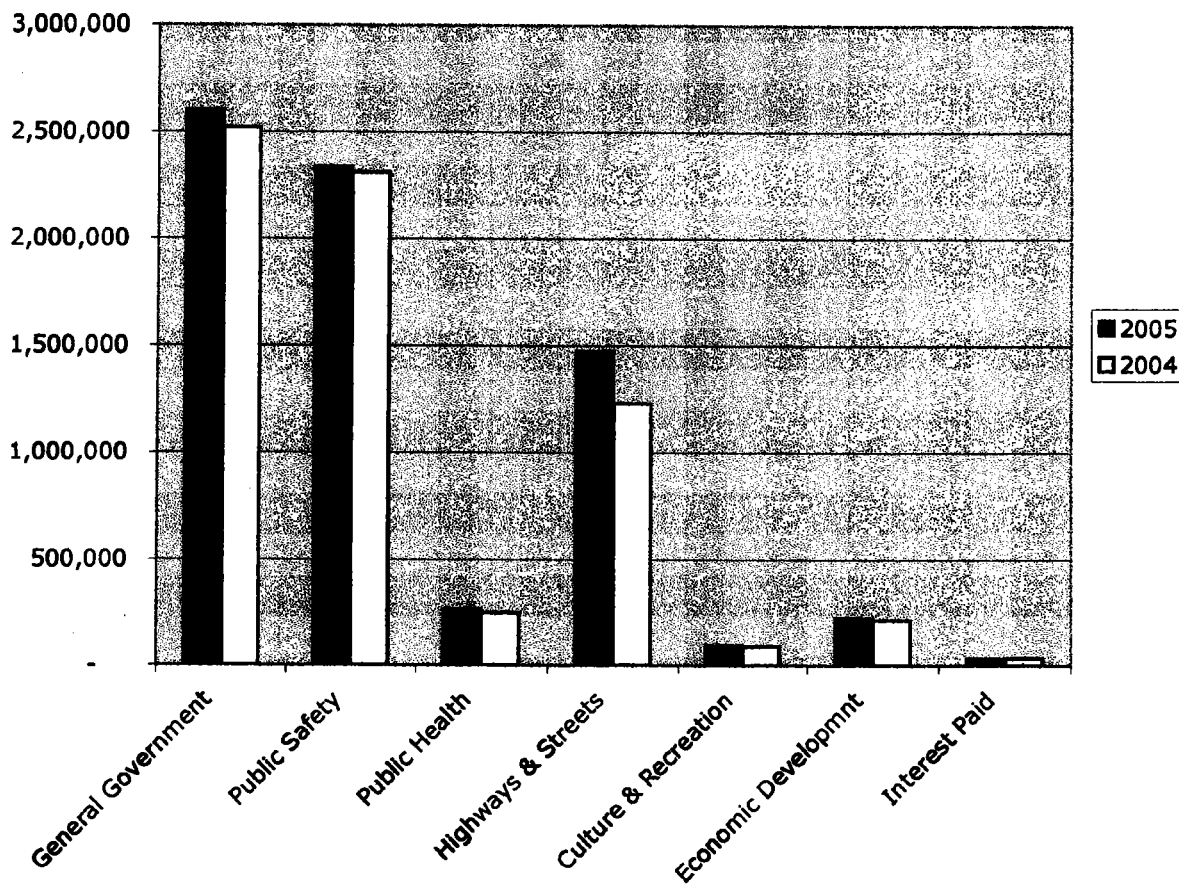
Governmental Revenues



SANPETE COUNTY
Governmental Expenditures
For The Years Ending December 31, 2005 and 2004

	2005	2004
General Government	2,599,874	2,519,589
Public Safety	2,340,525	2,311,167
Public Health	267,273	252,087
Highways & Streets	1,474,745	1,231,259
Culture & Recreation	99,019	92,323
Economic Developmnt	226,694	216,684
Interest Paid	32,030	34,030
Total Expenditures	7,040,160	6,657,139

Governmental Expenditures



(This page contains no information and
is used to assist in formatting, for easier reading)

BASIC FINANCIAL STATEMENTS

**SANPETE COUNTY
STATEMENT OF NET ASSETS**

December 31, 2005

	<u>Primary Government Governmental Activities</u>	<u>Component Units</u>
ASSETS		
Current Assets:		
Cash and Cash Equivalents	3,802,490	437,480
Accounts Receivable (Net)	26,558	11,755
Due From Other Government Units	144,019	228,606
Total Current Assets	<u>3,973,067</u>	<u>677,841</u>
Noncurrent Assets:		
Capital Assets (Net of Accumulated Depreciation):		
Land	723,294	-
Buildings	41,712	-
Improvements Other Than Buildings	480,679	-
Equipment	571,445	-
Vehicles	293,886	-
Valuable Papers	200,000	-
Infrastructure	9,616,250	-
Total Noncurrent Assets	<u>11,927,266</u>	<u>-</u>
TOTAL ASSETS	<u>15,900,333</u>	<u>677,841</u>
LIABILITIES		
Current Liabilities:		
Accounts Payable	157,950	-
Accrued Liabilities	87,713	-
Bond Interest Payable	1,300	-
Capital Lease Obligations - Due Within One Year	65,681	-
Revenue Bonds Payable - Due Within One Year	37,000	-
Total Current Liabilities	<u>349,644</u>	<u>-</u>
Noncurrent Liabilities:		
Capital Lease Obligations - More Than One Year	161,843	-
Revenue Bonds Payable - More Than One Year	490,000	-
Compensated Absences	82,542	-
Total Noncurrent Liabilities	<u>734,385</u>	<u>-</u>
TOTAL LIABILITIES	<u>1,084,029</u>	<u>-</u>
NET ASSETS		
Investment in Capital Assets, Net of Debt	11,088,900	-
Restricted For:		
Road Projects	-	140,000
Unrestricted	3,727,404	537,841
TOTAL NET ASSETS	<u>14,816,304</u>	<u>677,841</u>
TOTAL LIABILITIES AND NET ASSETS	<u>15,900,333</u>	<u>677,841</u>

The notes to the financial statements are an integral part of this statement.

**SANPETE COUNTY
STATEMENT OF ACTIVITIES**

For The Year Ended December 31, 2005

Function/Programs	Program Revenues			Net (Expense) Revenues Changes in Net Assets	
	Expenses	Charges for Services	Operating Grants/ Contributions	Capital Grants/ Contributions	Component Units
Governmental Activities:					
General Government	2,599,874	1,098,941	8,507	-	-
Public Safety	2,340,525	844,845	156,544	-	-
Public Health	267,273	-	3,761	-	-
Highways and Public Improvements	1,474,745	570,429	772,857	-	-
Culture and Recreation	99,019	-	72,225	-	-
Economic Development	226,694	67,130	43,334	-	-
Interest on Long-Term Debt	32,030	-	-	-	-
Total Primary Government	7,040,160	2,581,345	1,057,228	-	-
Component Units:					
Governmental Type:					
Road District	587,414	-	758,915	-	171,501
Fire District	262,397	197,549	5,320	-	(59,528)
Total Component Units	849,811	197,549	764,235	-	111,973
General Revenues:					
Property Taxes				2,528,497	-
Fee-In-Lieu of Property Taxes				292,772	-
Sales Taxes				1,003,279	-
Transient Room Tax				40,472	-
Restaurant Tax				82,375	-
Grants and Contributions Not Restricted to Specific Programs				740,575	-
Unrestricted Investment Earnings				49,563	21,570
Total General Revenues and Transfers				4,737,533	21,570
Change in Net Assets				1,335,946	133,543
Net Assets - Beginning				13,480,358	544,298
Net Assets - Ending				14,816,304	677,841

The notes to the financial statements are an integral part of this statement.

**SANPETE COUNTY
BALANCE SHEET
GOVERNMENTAL FUNDS**

For The Year Ended December 31, 2005

	General Fund	Class B Roads Fund	Capital Projects Fund	E-911 Fund	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents	3,604,449	-	150,000	48,041	3,802,490
Accounts Receivable (Net)	26,558	-	-	-	26,558
Due From Other Government Units	-	144,019	-	-	144,019
Due From Other Funds	144,019	-	-	-	144,019
TOTAL ASSETS	3,775,026	144,019	150,000	48,041	4,117,086
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	157,950	-	-	-	157,950
Accrued Liabilities	87,713	-	-	-	87,713
Due To Other Funds	-	144,019	-	-	144,019
Total Liabilities	245,663	144,019	-	-	389,682
Fund Balances:					
Unreserved, Reported In:					
General Fund	3,529,363	-	-	-	3,529,363
Special Revenue Funds	-	-	-	48,041	48,041
Capital Projects Funds	-	-	150,000	-	150,000
Total Fund Balance	3,529,363	-	150,000	48,041	3,727,404
TOTAL LIABILITIES AND FUND BALANCE	3,775,026	144,019	150,000	48,041	4,117,086

The notes to the financial statements are an integral part of this statement.

SANPETE COUNTY
BALANCE SHEET RECONCILIATION TO STATEMENT OF NET ASSETS

December 31, 2005

Total Fund Balances - Governmental Fund Types	3,727,404
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Amounts reported for governmental activities in the statement of net assets
are different because:

Capital assets used in governmental activities are not financial resources
and, therefore, are not reported in the funds:

Land	723,294	
Valuable Papers	200,000	
Buildings	41,712	
Improvements	480,679	
Equipment	571,445	
Vehicles	293,886	
Infrastructure	<u>9,616,250</u>	
 Total		 11,927,266

Long-term liabilities, including bonds payable, are not due and payable
in the current period and therefore are not reported in the funds:

Revenue Bonds	(527,000)	
Capital Lease Obligations	(227,524)	
Accrued Interest	(1,300)	
Compensated Absences	<u>(82,542)</u>	
 Total		 <u>(838,366)</u>

Net Assets of Government Activities	<u><u>14,816,304</u></u>
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SANPETE COUNTY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

For The Year Ended December 31, 2005

	General Fund	Class B Roads Fund	E-911 Fund	Municipal Building Authority Fund	Capital Projects Fund	Total Governmental Funds
Revenues:						
Property Tax	1,802,121	-	-	-	75,000	1,877,121
Assessing and Collecting Taxes	651,376	-	-	-	-	651,376
Fee-In-Lieu of Property Tax	292,772	-	-	-	-	292,772
Sales Tax	1,003,279	-	-	-	-	1,003,279
Transient Room Tax	40,472	-	-	-	-	40,472
Restaurant Tax	82,375	-	-	-	-	82,375
Licenses and Permits	403,308	-	-	-	-	403,308
Intergovernmental	1,051,436	746,299	68	-	-	1,797,803
Charges for Services	1,586,096	-	123,879	-	-	1,709,975
Fines and Forfeitures	278,941	-	-	-	-	278,941
Interest	49,563	-	-	-	-	49,563
Miscellaneous	121,991	-	-	67,130	-	189,121
Total Revenues	7,363,730	746,299	123,947	67,130	75,000	8,376,106
Expenditures:						
Current:						
General Government	2,578,522	-	-	-	-	2,578,522
Public Safety	2,194,752	-	75,906	-	-	2,270,658
Public Health	267,273	-	-	-	-	267,273
Highways and Public Improv.	646,002	746,299	-	-	-	1,392,301
Culture and Recreation	99,019	-	-	-	-	99,019
Economic Development	225,834	-	-	-	-	225,834
Capital Outlay	410,625	-	-	-	-	410,625
Debt Service:						
Principal	3,834	-	-	35,000	-	38,834
Interest	-	-	-	32,130	-	32,130
Total Expenditures	6,425,861	746,299	75,906	67,130	-	7,315,196
Net Change In Fund Balance	937,869	-	48,041	-	75,000	1,060,910
Other Financing Sources (Uses):						
Loan Proceeds	231,358	-	-	-	-	231,358
Fund Balance - Beginning	2,360,136	-	-	-	75,000	2,435,136
Fund Balance - Ending	3,529,363	-	48,041	-	150,000	3,727,404

The notes to the financial statements are an integral part of this statement.

SANPETE COUNTY
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

For The Year Ended December 31, 2005

Amounts reported for governmental activities in the statement of activities are different because:

Net Changes in Fund Balances - Total Governmental Funds	1,292,268
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period:

Capital Outlays	410,625	
Depreciation Expense	<u>(192,605)</u>	
Total		218,020

The issuance of long-term debt (e.g., bonds, leases) provide current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Principal Payment on Long-Term Debt	38,834	
Proceeds from Lease Obligations	<u>(231,358)</u>	
Total		(192,524)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:

Compensated Absences	18,082	
Reduction of Bond Interest Payable	<u>100</u>	
Total		<u>18,182</u>

Changes In Net Assets of Governmental Activities	<u><u>1,335,946</u></u>
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**SANPETE COUNTY
STATEMENT OF FIDUCIARY NET ASSETS
AGENCY FUND**

December 31, 2005

ASSETS:

Cash and Investments	<u>1,936,547</u>
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LIABILITIES:

Collections Payable	<u>1,936,547</u>
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FIDUCIARY NET ASSETS:

Net Assets	<u>-</u>
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TOTAL LIABILITIES AND FIDUCIARY NET ASSETS	<u><u>1,936,547</u></u>
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SANPETE COUNTY
NOTES TO FINANCIAL STATEMENTS

December 31, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of Sanpete County have been prepared in conformity with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board.

The accompanying financial statements present the financial position of various fund types and the results of operations of the various fund types. The financial statements are presented for the year ended December 31, 2005.

A. Reporting Entity:

For financial reporting purposes, Sanpete County has included all funds. The County has also considered all potential component units for which it is financially accountable and that the exclusion would cause the County's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of the County to impose its will on that organization or (2) the potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the County.

As required by generally accepted accounting principles, these financial statements present Sanpete County (the primary government) and its component units. The component units are included in the County's reporting entity because of the significance of their operational or financial relationships with the County. Complete financial statements of the individual component units, that issued separate financial statements, can be obtained from the Sanpete County Auditor's office.

Discrete Component Units:

These component units are entities which are legally separate from the County, but are financially accountable to the County or whose relationships with the County are such that exclusion would cause the County's financial statements to be misleading or incomplete. The County must approve their tax rates and debt. The County could also take away their operating authority and could dissolve the District. Each of these districts was organized under the State of Utah's Statute for special service districts, Section 17A-2-1300. The component units column of the combined financial statements include the financial data of the following entities:

- * Sanpete County Special Service District #1 (Governmental Fund Type) - This District was created by the adoption of a resolution to establish a special service district by the Sanpete County Commissioners on December 27, 1988, for the purpose of improving the county road system in Sanpete County. The Special Service District's Administrative Control Board consists of five (5) members, each of whom was appointed by the Board of Commissioners. The Board of Commissioners appointed the initial two members to serve two year terms and

**SANPETE COUNTY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

December 31, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

the remaining three members to serve four year terms. The Board members, at their initial meeting, elected a chairperson and a secretary to serve such terms as the board shall determine. The District was audited by us, and the report was dated May 27, 2005, and has been previously issued under separate cover. A copy of the report can be obtained at the Sanpete County Auditor's office in Manti, Utah.

* Sanpete County Fire Special Service District (Governmental Fund Type) - The District was created March 3, 1992, by the adoption of a resolution to establish a special service district by the Sanpete County Commissioners for the purpose of acquiring and obtaining fire fighting materials and equipment for the protection of life and property against fire and the elimination of fire hazards. The District's administrative Control Board consists of thirteen (13) members, twelve (12) of which represent the Towns or Cities which belong to the District and one (1) member of the County Commission. The length of terms are decided by the Towns and Cities involved in the District. The District was audited by us, and the report was dated May 27, 2005, and has been previously issued under separate cover. A copy of the report can be obtained at the office of the Sanpete County Auditor in Manti, Utah.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., statement of net assets and statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

SANPETE COUNTY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting and Basis of Presentation

The government-wide financial statements are reported using the economic resources measurement focus and accrual basis of accounting as are the proprietary fund and the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, Wayne County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses and interest associated with the current fiscal period are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenues items are considered to be measurable and available only when cash is received by the government.

The government reports the following major governmental funds:

The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The B Road Fund receives funding from the State Department of Transportation to be expended on eligible B Roads in the County.

The E-911 Fund receives monies to maintain and upgrade the E-911 system in the County.

The Municipal Building Authority Fund constructed a building for the Central Utah Mental Health Authority and then leases this building to the Central Utah Mental Health Authority in an amount sufficient to pay the debt service on the building.

The Capital Projects Fund accounts for the acquisition of fixed assets or construction of major capital projects not being financed by other funds.

**SANPETE COUNTY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

December 31, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Additionally the Government reports the following Fiduciary fund types:

The Treasurer's Tax Collection Agency Fund is used to account for taxes collected by the County Treasurer but not paid as of December 31 to the taxing entities within the County.

The District Court Trust Fund which collects fines and bail monies in the District Court and remits the monies to the appropriate agencies and parties to the court actions.

The Justice Court Trust Fund which collects fines and bail monies in the Justice Court and remits the monies to the appropriate agencies and parties to the court actions.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Assets, Liabilities and Net Assets or Equity

Deposits and Investments:

The government's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the government to invest in obligations of the U. S. Treasury, commercial paper, corporate bonds, repurchase agreements and the State Treasurer's Investment Pool.

Investments for the government, as well as for its component units, are reported at fair value. The State Treasurer's Investment Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

Capital Assets:

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at date of donation.

SANPETE COUNTY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant and equipment of the primary government, as well as the component units, is depreciated using the straight line method over the following estimated useful lives:

Buildings and Improvements	40 Years
Equipment and Vehicles	5 - 10 Years

Compensated Absences:

The County has a policy which allows employees to accumulate vacation pay and sick pay. The County allows 80 hours of vacation pay to be carried over from year to year.

Long-Term Obligations:

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net assets.

In the fund financial statement, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, if any, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuance are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Fund Equity:

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designation of fund balance represent tentative management plans that are subject to change.

E. Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**SANPETE COUNTY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

December 31, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Budgets and Budgetary Accounting:

Annual budgets are prepared and adopted by ordinance by total for each department, in accordance with State law, by the County Auditor and County Commissioners on or before December 15 for the following fiscal year beginning January 1. Estimated revenues and appropriations may be increased or decreased by resolution of the County Commissioners at any time during the year. A public hearing must be held prior to any proposed increase in a fund's appropriations. Budgets include activities in the General Fund. The level of the County's budgetary control (the level at which the County's expenditures cannot legally exceed appropriations) is established at the department level. Each department head is responsible for operating within the budget for their department. All annual budgets lapse at fiscal year end.

Utah State law prohibits the appropriation of unreserved General Fund balance to an amount less than 5% of the General Fund revenues. The 5% reserve that cannot be budgeted is used to provide working capital until tax revenue is received, to meet emergency expenditures, and to cover unanticipated deficits. The maximum in the General Fund may not exceed 50% of the General Fund's total revenue.

Once adopted, the budget may be amended by the County Commissioners without a public hearing provided the budgeted expenditures do not exceed budgeted revenues and appropriated fund balance. A public hearing must be held if the budgeted expenditures will exceed budgeted revenues and any fund balance which is available for budgeting. With the consent of the Commissioners, department heads may reallocate unexpended appropriated balances from one expenditure account to another within that department during the budget year. Budgets for the General Fund are prepared on the modified accrual basis of accounting. Encumbrances are not used.

G. Property Taxes:

Property taxes are assessed and collected for the County by Sanpete County and remitted to the County shortly after collection. Property taxes become a lien on January 1 and are levied on the first Monday in August. Taxes are due and payable November 1, and are delinquent after November 30. All dates are in the year of levy.

NOTE 2 - DEPOSITS AND INVESTMENTS

The County maintains a cash and investment pool that is available for use by all funds, except the Deferred Compensation Trust Fund. Each fund types portion of this pool is displayed on the combined balance sheet as "Cash and Cash Equivalents". The investments of the deferred compensation plan are held separately from those of the other County funds.

SANPETE COUNTY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2005

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

Deposits:

At December 31, 2005, the carrying amount of Sanpete County's deposits for the primary government was \$110,892 and the bank balances were \$119,666. Of the bank balances \$100,000 was covered by federal depository insurance. At December 31, 2005, the carrying amount of the component units deposits was \$4,506 and the bank balances were \$4,857. All of the bank balances were covered by federal depository insurance. The remaining deposits for the primary government were uninsured and uncollateralized and were held by various financial institutions. The State of Utah does not require collateral on deposits. However, the State Commissioner of Financial Institutions monitors financial institutions monthly and establishes limits for deposit of public money at individual financial institutions.

Primary Government:

Cash and investments as of December 31, 2005, consist of the following:

	<u>Fair Value</u>
Demand Deposits	110,892
Investments - PTIF	461,590
Repurchase Agreements	<u>5,166,555</u>
Total Cash and Investments	<u><u>5,739,037</u></u>

Cash and investments listed above are classified in the accompanying government-wide statement of net assets as follows:

Governmental Activities - Unrestricted	3,802,490
Governmental Activities - Restricted	<u>-</u>
Total Cash and Cash Equivalents	<u><u>3,802,490</u></u>

SANPETE COUNTY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2005

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

The Utah Money Management Act (UMMA) established specific requirements regarding deposits of public funds by public treasurers. UMMA requires that County funds be deposited with a qualified depository which includes any depository institution which has been certified by the Utah State Commissioner of Financial Institutions as having met the requirements specified in UMMA Section 51, Chapter 7. UMMA provides the formula for determining the amount of public funds which a qualified depository may hold in order to minimize risk of loss and also defines capital requirements which an Institution must maintain to be eligible to accept public funds. UMMA lists the criteria for investments and specifies the assets which are eligible to be invested in, and for some investments, the amount of time to maturity.

UMMA enables the State Treasurer to operate the Public Treasurer's Investment Pool (PTIF). PTIF is managed by the Utah State Treasurer's investment staff and comes under the regulatory authority of the Utah Money Management Council. This council is comprised of a select group of financial professionals from units of local and state government and financial institutions doing business in the state. PTIF operations and portfolio composition is monitored at least semi-annually by Utah Money Management Council. PTIF is unrated by any nationally recognized statistical rating organizations.

Deposits in PTIF are not insured or otherwise guaranteed by the State of Utah. Participants share proportionally in any realized gains or losses on investments which are recorded on an amortized cost basis. The balance available for withdrawal is based on the accounting records maintained by PTIF. The fair value of the investment pool is approximately equal to the value of the pool shares.

Deposit and Investment Risk:

The County maintains no investment policy containing any specific provisions intended to limit the County's exposure to interest rate risk, credit risk and concentration of credit risk other than that imposed by UMMA. The County's compliance with the provisions of UMMA addressed each of these risks.

Interest Rate Risk:

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. All deposits and investment of the County are available immediately.

Credit Risk:

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligations. Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits. Of the Primary Government's demand deposits, \$100,000 was covered by FDIC insurance. All of the Component Unit's demand deposits were covered by FDIC insurance. The PTIF has not been rated.

SANPETE COUNTY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2005

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

Custodial credit risk for investment is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. This risk is addressed through the policy of investing excess monies only in PTIF.

Concentration of Credit Risk:

Concentration of credit risk the risk of loss attributed to the magnitude of a government's investments in a single issuer. PTIF falls under the constraints of UMMA in limiting concentrations of investments.

Component Units:

Cash and investments as of December 31, 2005, consist of the following:

	<u>Fair Value</u>
Demand Deposits	4,506
Investments - PTIF	<u>432,974</u>
Total Cash and Investments	<u><u>437,480</u></u>

Cash and investments listed above are classified in the accompanying government-wide statement of net assets as follows:

Governmental Activities - Unrestricted	<u>437,480</u>
Total Cash and Investments	<u><u>437,480</u></u>

NOTE 3 - ACCOUNTS RECEIVABLE

The amounts shown under this caption include revenue received after year end for services provided during 2005.

SANPETE COUNTY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2005

NOTE 4 - CAPITAL ASSETS

Capital assets activity for the year ended December 31, 2005, was as follows:

Capital Assets (Primary Government):

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Land	30,000	-	-	30,000
Land Under Roads	693,294	-	-	693,294
Valuable Papers	200,000	-	-	200,000
Infrastructure	<u>9,616,250</u>	<u>-</u>	<u>-</u>	<u>9,616,250</u>
 Total Capital Assets Not Being Depreciated	 <u>10,539,544</u>	 <u>-</u>	 <u>-</u>	 <u>10,539,544</u>
 Capital Assets Being Depreciated:				
Buildings	78,313	-	-	78,313
Improvements	1,316,251	-	-	1,316,251
Equipment	692,586	248,584	-	941,170
Vehicles	<u>301,204</u>	<u>162,041</u>	<u>-</u>	<u>463,245</u>
 Total Capital Assets Being Depreciated	 <u>2,388,354</u>	 <u>410,625</u>	 <u>-</u>	 <u>2,798,979</u>
 Less Accumulated Depreciation For:				
Buildings	33,524	3,077	-	36,601
Improvements	791,697	43,875	-	835,572
Equipment	289,104	80,621	-	369,725
Vehicles	<u>104,327</u>	<u>65,032</u>	<u>-</u>	<u>169,359</u>
 Total Accumulated Depreciation	 <u>1,218,652</u>	 <u>192,605</u>	 <u>-</u>	 <u>1,411,257</u>
 Total Capital Assets Being Depreciated (Net)	 <u>1,169,702</u>	 <u>218,020</u>	 <u>-</u>	 <u>1,387,722</u>
 Governmental Activities Capital Assets, Net	 <u><u>11,709,246</u></u>	 <u><u>218,020</u></u>	 <u><u>-</u></u>	 <u><u>11,927,266</u></u>

SANPETE COUNTY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2005

NOTE 4 - CAPITAL ASSETS (CONTINUED)

Depreciation expense was charged to functions of the Primary Government as follows:

	<u>Governmental Activities</u>
General Government	39,434
Public Safety	69,867
Highways and Public Improvements	82,444
Economic Development	<u>860</u>
Total Depreciation Expense	<u><u>192,605</u></u>

NOTE 5 - LONG-TERM DEBT

Primary Government:

The following is a summary of long-term debt of the County for the year ended December 31, 2005:

MBA Lease Revenue Bonds:

During 1997 the Central Utah Mental Health entered into a lease purchase agreement with the Municipal Building Authority of Sanpete County for the purpose of constructing a mental health facility in Ephraim, Utah. The Sanpete County Municipal Building Authority issued bonds in the amount of \$750,000 to finance the construction of the building. Central Utah Mental Health then pays a lease payment in the same amount as the bond payment to Zions Bank who purchased the bonds. The lease agreement calls for interest only payments in June and principal and interest payments in December.

The following is a summary of lease revenue bond payments to maturity:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2006	37,000	30,153	67,153
2007	39,000	27,990	66,990
2008	35,000	25,708	60,708
2009	37,000	23,712	60,712
2010	39,000	21,603	60,603
2011-2015	229,000	72,220	301,220
2016-2020	<u>111,000</u>	<u>9,576</u>	<u>120,576</u>
	<u><u>527,000</u></u>	<u><u>210,962</u></u>	<u><u>737,962</u></u>

SANPETE COUNTY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2005

NOTE 5 - LONG-TERM DEBT (CONTINUED)

The following is a schedule of changes in long-term debt:

	Balance December 31, 2004	Additions	Deletions	Balance December 31, 2005
MBA Lease Revenue Bond	562,000	-	35,000	527,000
Capital Leases:				
Xerox - Copy Machine	-	16,571	3,834	12,737
Wheeler - Grader	-	214,787	-	214,787
Total Leases	-	231,358	3,834	227,524
Total Long-Term Debt	562,000	231,358	38,834	754,524

NOTE 6 - CLASS B ROADS

Following is a schedule of revenues, expenditures and changes in fund balance for Class B Roads:

Fund Balance - Beginning of Year	-
Revenues:	
Class "B" Road Allotments	746,299
Expenditures	(746,299)
Fund Balance - End of Year	-

NOTE 7 - RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County participates in the Utah Association of Counties Insurance Mutual, a self-funded risk financing pool administered by the Utah Association of Counties. Through the Mutual, the County maintains general liability, errors and omissions, flood, earthquake, newly acquired property, builders risk, unscheduled locations, and crime.

SANPETE COUNTY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2005

NOTE 7 - RISK MANAGEMENT

The Mutual is reinsured through commercial companies to provide the following coverage:

<u>Comprehensive General Liability</u>	<u>Limit</u>	<u>Term</u>
General Liability	2,250,000 3,000,000	Per Occurrence Aggregate Per Member
Law Enforcement Liability	2,250,000 3,000,000	Per Occurrence Aggregate Per Member
Employee Benefits Liability	2,250,000 3,000,000	Per Occurrence Aggregate Per Member
Automobile Liability	2,250,000	Per Occurrence
Automobile Medical Payment	5,000	Per Person
Uninsured Motorists	Per Statute	Per Occurrence
Underinsured Motorist	Per Statute	Per Occurrence
Personal Injury Protection	Per Statute	Per Occurrence
Public Officials' Liability	2,000,000 2,000,000	Per Occurrence Aggregate Per Member
<u>Officials' Bonds</u>		
Commissioners	10,000	Each
Sheriff, Deputy Sheriff, Sheriff Sec., Jailer	10,000	Each
Other Elected Officials and Employees	10,000	Each
County Treasurer	500,000	

Claims have not exceeded coverage in any of the last three calendar years.

SANPETE COUNTY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2005

NOTE 8 - PENSION PLAN

Local Governmental - Cost Sharing:

Plan Description:

Sanpete County contributes to the Local Governmental Contributory Retirement System, Local Governmental Noncontributory Retirement System and Public Safety Other Division A Noncontributory Retirement System for employers with Social Security coverage, all of which are cost-sharing multiple-employer defined benefit pension plans administered by the Utah Retirement Systems (Systems). The Systems provide retirement benefits, annual cost of living allowances, death benefits and refunds to plan members and beneficiaries in accordance with retirement statutes established and amended by the State Legislature.

The Systems are established and governed by the respective sections of Chapter 49 of the Utah Code Annotated 1953 (Chapter 49) as amended, which also establishes the Utah State Retirement Office (Office) for the administration of the Utah Retirement Systems and plans. Chapter 49 places the Systems, the Office and related plans and programs under the direction of the Utah State Retirement Board (Board) whose members are appointed by the Governor. The Systems issue a publicly available financial report that included financial statements and required supplementary information for the Systems and Plans. A copy of the report may be obtained by writing to the Utah Retirement Systems, 540 East 200 South, Salt Lake City, UT 84102 or by calling 1-800-365-8772.

Funding Policy:

Plan members are required to contribute a percent of their covered salary (all or part may be paid by the employer) to the system to which they belong; 6.00% to the Contributory Retirement System. Sanpete County is required to contribute a percent of covered salary to the respective systems, 7.08% to the Contributory, 11.09% to the Noncontributory and 19.08% to the Public Safety Noncontributory Systems. The contribution rates are the actuarially determined rates and are approved by the Board as authorized by Chapter 49.

Sanpete County contributions to the various systems for the years ending December 31, 2005, 2004 and 2003 respectively were; for the Contributory System, \$0.00, \$63.88 and \$2,798.93; for the Noncontributory System, \$157,256.90, \$139,298.65 and \$113,574.46; and for the Public Safety Noncontributory, \$120,997.54, \$101,483.87 and \$82,409.13 respectively. The contributions were equal to the required contributions for each year.

SANPETE COUNTY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2005

NOTE 9 - INDIVIDUAL COMPONENT UNIT DISCLOSURES

Sanpete County has two component units that are governmental fund types and are described below:

Sanpete County Special Service District #1

The District's purpose is the improving of the County road system in Sanpete County.

Sanpete County Fire Special Service District:

The District was created for the purpose of the construction of improvements for fire control, public health, convenience and the necessity of providing fire protection to the residents of Sanpete County.

Condensed financial statements for each of the two discretely presented component units for the year year ended December 31, 2005, are as follows:

	Sanpete County Special Service District #1	Sanpete County Fire Special Service District	Total
Condensed Statement of Net Assets:			
Current Assets	<u>532,665</u>	<u>145,176</u>	<u>677,841</u>
Fund Equity	<u>532,665</u>	<u>145,176</u>	<u>677,841</u>
 Condensed Statement of Activities:			
Revenues	774,795	208,559	983,354
Current Expenditures	(7,752)	(52,053)	(59,805)
Capital Outlay	<u>(579,662)</u>	<u>(210,344)</u>	<u>(790,006)</u>
Excess Revenues and Other Sources Over (Under) Expenditures and Other Uses	187,381	(53,838)	133,543
Fund Balance - Beginning of Year	<u>345,284</u>	<u>199,014</u>	<u>544,298</u>
Fund Balance - End of Year	<u>532,665</u>	<u>145,176</u>	<u>677,841</u>

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is used to assist in formatting, for easier reading)

**REQUIRED SUPPLEMENTARY
INFORMATION
"UNAUDITED"**

**SANPETE COUNTY
CONDITION RATING OF THE COUNTY'S ROAD SYSTEM**

For The Year Ended December 31, 2005

Percentage of Lane-Miles in Good or Better Condition:

	<u>2004</u>	<u>2005</u>
Paved	95	96
Gravel	65	66
Dirt (Native)	50	50
Bridges	76	78
Overall System	72	73

Percentage of Lane-Miles in Substandard Condition:

	<u>2004</u>	<u>2005</u>
Paved	5	4
Gravel	6	4
Dirt (Native)	5	5
Bridges	5	3
Overall System	6	4

Comparison of Needed-to-Actual Maintenance/Preservation - Roads and Bridges:

	<u>2004</u>	<u>2005</u>
Paved:		
Needed	384,000	400,000
Actual	400,000	350,000
Gravel:		
Needed	528,000	300,000
Actual	550,000	275,000
Dirt (Native):		
Needed	48,000	150,000
Actual	82,000	125,000
Overall System:		
Needed	960,000	850,000
Actual	<u>982,000</u>	<u>750,000</u>
Difference	<u>22,000</u>	<u>(100,000)</u>

The condition of road pavement is measured using the American... (AASHTO) pavement management system, which is based on stress factors found in pavement surfaces. The AASHTO pavement management system uses a measurement that is based on a condition index ranging from zero for a failed pavement to 100 for a pavement in perfect condition. The condition index is used to classify roads in good condition (70-100), fair condition (50-69), and substandard condition (less than 50). It is the County's policy to maintain at least 80 percent of its road system at a good or better condition level. No more than 20 percent should be in substandard condition for paved and gravel roads. Condition assessments are determined every year.

This schedule only presents the information for 2004 and 2005. GASB standards require reporting the last three complete condition assessments and needed-to-actual information for 5 years. However, the County implemented these new standards in 2004, and did not collect this information for the prior years. The County will continue to collect and retain this information so that over a period of five years it will be able to report the required information.

The condition of the County's bridges is determined using its Bridge Management and Inspection Program (BMIP). The bridge condition rating, which is a weighted average of an assessment of the ability of individual components to function structurally, uses a numerical condition scale ranging from 1.0 (impaired or load restricted) to 7.0 (new). It is the County's policy to keep the number and square footage of deck area of bridges with a condition rating of 1.0 to 1.9 below 1 percent. All bridges are inspected every two years.

**SANPETE COUNTY
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

For The Year Ended December 31, 2005

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis) (See Note A)</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, January 1	<u>2,360,136</u>	<u>2,360,136</u>	<u>2,360,136</u>	<u>-</u>
Resources (Inflows):				
Property Taxes	1,620,355	1,620,355	1,957,351	336,996
Assessing and Collecting Taxes	536,642	536,642	651,376	114,734
Sales Taxes	928,000	928,000	1,003,279	75,279
Transient Room Tax	38,600	38,600	40,472	1,872
Restaurant Tax	79,420	79,420	82,375	2,955
Indigent Prison Fund	73,542	73,542	73,542	-
Library Fund	64,000	64,000	64,000	-
Licenses and Permits	371,546	371,546	403,308	31,762
Intergovernmental Revenue	1,084,077	1,297,864	1,265,223	(32,641)
Charges for Services	4,401,619	4,401,619	1,586,096	(2,815,523)
Fines and Forfeitures	288,300	288,300	278,941	(9,359)
Interest	8,000	8,000	49,563	41,563
Miscellaneous Revenue	33,468	33,468	139,562	106,094
Use of Surplus	<u>(25,332)</u>	<u>(25,332)</u>	<u>-</u>	<u>25,332</u>
Total Resources (Inflows)	<u>9,502,237</u>	<u>9,716,024</u>	<u>7,595,088</u>	<u>(2,120,936)</u>
Amounts Available for Appropriation	<u>11,862,373</u>	<u>12,076,160</u>	<u>9,955,224</u>	<u>(2,120,936)</u>
Charges to Appropriations (Outflows):				
General Government:				
Commission	210,797	178,797	162,493	16,304
District Court	176,332	176,332	168,942	7,390
J. P. Court	92,357	92,357	89,742	2,615
Juvenile SSBG	5,382	5,382	5,382	-
Sanity Hearing	6,000	6,795	6,795	-
Public Defender	95,000	66,000	65,015	985
Data Processing	107,640	106,212	100,908	5,304
Microfilm and Copy Machine	24,100	27,269	26,377	892
DMV	51,446	51,446	50,690	756
Auditor	144,717	144,717	120,348	24,369
Clerk	175,216	175,216	163,102	12,114
Treasurer	98,143	98,143	85,874	12,269
Recorder	242,556	247,758	247,758	-
Attorney	260,837	260,837	259,173	1,664
Assessor	310,328	310,328	302,780	7,548
Correction Legal Help	73,542	73,542	68,096	5,446
Non-Departmental	259,822	259,822	257,157	2,665
General Government Buildings	184,243	158,765	135,995	22,770
Elections	56,100	56,100	27,606	28,494
Zoning/Grants, Etc.	<u>3,243,113</u>	<u>3,243,113</u>	<u>272,920</u>	<u>2,970,193</u>
Total General Government	<u>5,817,671</u>	<u>5,738,931</u>	<u>2,617,153</u>	<u>3,121,778</u>

Continued

**SANPETE COUNTY
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

For The Year Ended December 31, 2005

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u> <u>(See Note A)</u>	<u>Variance With</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Charges to Appropriations (Outflows) Continued:				
Public Safety:				
Sheriff	1,008,298	1,046,011	1,046,011	-
Communication	245,672	267,003	267,003	-
Liquor and Drug Enforcement	115,450	115,450	102,811	12,639
County Jail	505,418	512,191	512,191	-
Building Inspection	250,145	250,145	233,033	17,112
Bee Inspection and EMS Grants	1,000	1,000	1,000	-
Emergency Services	162,771	162,771	124,844	37,927
Total Public Safety	2,288,754	2,354,571	2,286,893	67,678
Public Health:				
Health Services	281,915	281,915	267,273	14,642
County Roads:				
County Roads	670,000	883,787	834,629	49,158
County Weeds	99,567	99,567	95,060	4,507
Total County Roads	769,567	983,354	929,689	53,665
Conservation and Economic Development:				
Library	95,727	99,019	99,019	-
Extension Services	76,953	76,952	73,493	3,459
County Fair and State Fair	22,227	24,539	24,539	-
Economic Development	98,123	98,123	69,183	28,940
Tourism	51,300	58,620	58,619	1
Total Conservation and Economic Development	344,330	357,253	324,853	32,400
Total Charges to Appropriations	9,502,237	9,716,024	6,425,861	3,290,163
Budgetary Fund Balance - December 31	2,360,136	2,360,136	3,529,363	1,169,227

**SANPETE COUNTY
BUDGETARY COMPARISON SCHEDULE
CLASS B ROAD**

For The Year Ended December 31, 2005

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	<u>Variance With</u> <u>Final Budget</u>
	<u>Original</u>	<u>Final</u>	<u>(See Note A)</u>	<u>Positive</u> <u>(Negative)</u>
Budgetary Fund Balance, January 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Resources (Inflows):				
Intergovernmental	<u>883,000</u>	<u>832,731</u>	<u>746,299</u>	<u>(86,432)</u>
Amounts Available for Appropriation	<u>883,000</u>	<u>832,731</u>	<u>746,299</u>	<u>(86,432)</u>
Charges to Appropriations (Outflows):				
County Roads	<u>883,000</u>	<u>832,731</u>	<u>746,299</u>	<u>86,432</u>
Total Charges to Appropriations	<u>883,000</u>	<u>832,731</u>	<u>746,299</u>	<u>86,432</u>
Budgetary Fund Balance - December 31	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

**SANPETE COUNTY
BUDGETARY COMPARISON SCHEDULE
E-911 FUND**

For The Year Ended December 31, 2005

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u> <u>(See Note A)</u>	<u>Variance With</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, January 1	-	-	-	-
Resources (Inflows):				
Intergovernmental	-	-	68	68
Miscellaneous	56,000	56,000	123,879	67,879
Transfer From General Fund	25,333	25,333	-	(25,333)
Amounts Available for Appropriation	81,333	81,333	123,947	42,614
Charges to Appropriations (Outflows):				
Telephone Expenses	81,333	81,333	75,906	5,427
Total Charges to Appropriations	81,333	81,333	75,906	5,427
Budgetary Fund Balance - December 31	-	-	48,041	48,041

**SANPETE COUNTY
BUDGETARY COMPARISON SCHEDULE
MUNICIPAL BUILDING AUTHORITY**

For The Year Ended December 31, 2005

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	<u>Variance With</u> <u>Final Budget</u>
	<u>Original</u>	<u>Final</u>	<u>(See Note A)</u>	<u>Positive</u> <u>(Negative)</u>
Budgetary Fund Balance, January 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Resources (Inflows):				
Intergovernmental	<u>67,130</u>	<u>67,130</u>	<u>67,130</u>	<u>-</u>
Amounts Available for Appropriation	<u>67,130</u>	<u>67,130</u>	<u>67,130</u>	<u>-</u>
Charges to Appropriations (Outflows):				
Bond Principal	<u>35,000</u>	<u>35,000</u>	<u>35,000</u>	<u>-</u>
Bond Interest	<u>32,130</u>	<u>32,130</u>	<u>32,130</u>	<u>-</u>
Total Charges to Appropriations	<u>67,130</u>	<u>67,130</u>	<u>67,130</u>	<u>-</u>
Budgetary Fund Balance - December 31	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

SANPETE COUNTY
NOTE A
BUDGETARY COMPARISON SCHEDULE
BUDGET-TO-GAAP RECONCILIATION

For The Year Ended December 31, 2005

	<u>General Fund</u>	<u>Class B Road Fund</u>	<u>E-911 Fund</u>	<u>Municipal Building Authority</u>
Sources/Inflows and Resources:				
Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedules.	9,955,224	746,299	123,947	67,130
Differences - Budget to GAAP:				
The fund balance at the beginning of the year is a budgetary resource but is not a current-year revenue for financial reporting purposes.	(2,360,136)	-	-	-
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes.	-	-	-	-
Bond proceeds are inflows of budgetary resources but are not revenues for financial reporting purposes but are other financing sources.	<u>(231,358)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	<u><u>7,363,730</u></u>	<u><u>746,299</u></u>	<u><u>123,947</u></u>	<u><u>67,130</u></u>
Uses/Outflows of Resources:				
Actual amounts (budgetary Basis "total charges to appropriations" from the budgetary comparison schedules.	6,425,861	746,299	75,906	67,130
Differences - Budget to GAAP:				
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes.	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	<u><u>6,425,861</u></u>	<u><u>746,299</u></u>	<u><u>75,906</u></u>	<u><u>67,130</u></u>

**COMBINING FINANCIAL
STATEMENTS AND SCHEDULES**

(This page contains no information and
is used to assist in formatting, for easier reading)

SANPETE COUNTY
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL TRUST AND AGENCY FUNDS

For The Year Ended December 31, 2005

	Balance December 31, 2004	Additions	Deletions	Balance December 31, 2005
PROPERTY TAX FUND				
ASSETS				
Cash	1,749,308	11,344,994	11,268,591	1,825,711
TOTAL ASSETS	1,749,308	11,344,994	11,268,591	1,825,711
LIABILITIES				
Due to Taxing Units	1,653,707	11,139,680	11,109,809	1,683,578
Collections Payable	95,601	205,314	158,782	142,133
TOTAL LIABILITIES	1,749,308	11,344,994	11,268,591	1,825,711
DISTRICT COURT TRUST FUND				
ASSETS				
Cash	74,136	123,364	100,743	96,757
LIABILITIES				
Collections Payable	74,136	123,364	100,743	96,757
JUSTICE COURT TRUST FUND				
ASSETS				
Cash	22,102	265,260	273,283	14,079
LIABILITIES				
Collections Payable	22,102	265,260	273,283	14,079
TOTALS - ALL AGENCY FUNDS				
ASSETS				
Cash	1,845,546	11,733,618	11,642,617	1,936,547
TOTAL ASSETS	1,845,546	11,733,618	11,642,617	1,936,547
LIABILITIES				
Due to Taxing Units	1,653,707	11,139,680	11,109,809	1,683,578
Collections Payable	191,839	593,938	532,808	252,969
TOTAL LIABILITIES	1,845,546	11,733,618	11,642,617	1,936,547

**SANPETE COUNTY
TREASURER'S TAX COLLECTION TRUST FUND
BALANCE SHEET**

December 31, 2005

ASSETS:

Cash In Investment Accounts	<u>22,902,148</u>
TOTAL ASSETS	<u>22,902,148</u>

LIABILITIES:

Collections Payable	151,845
Due to Taxing Units	<u>22,750,303</u>
TOTAL LIABILITIES	<u>22,902,148</u>

**SANPETE COUNTY
COUNTY TREASURER
CURRENT YEAR TAXABLE VALUES
December 31, 2005**

TAXING UNITS

County Funds:

General
State Assessing/Collecting
Local Assessing/Collecting

Total County Funds

School Districts:

North Sanpete School Dist.
South Sanpete School Dist.

Total School Districts

Cities and Towns:

Centerfield
Ephraim
Ephraim - Redevelopment
Fairview
Fayette
Fountain Green
Gunnison
Manti
Mayfield
Moroni
Mt. Pleasant
Mt. Pleasant - Redevelopment
Spring City
Sterling
Wales

Total Cities and Towns

Special Taxing Units:

Water Conservancy District
Central Utah Water District
Indian Ridge Water Conser.
Sports Haven Water Conser.

Total Special Taxing Units

GRAND TOTALS

	Real Property Values	Centrally Assessed Values	Total Assessed RDA Values	Total Real and Centrally Assessed Values	Total Real and Centrally Assessed Tax Rates	Taxes Charged	Personal Property Values	Personal Property Tax Rates	Personal Property Taxes Charged	Total Taxes Charged
General	710,682,164	56,675,513	(4,087,068)	763,270,609	.002159	1,647,901	32,567,462	.002200	71,648	1,719,550
State Assessing/Collecting	710,682,164	56,675,513	(4,087,068)	763,270,609	.000173	132,046	32,567,462	.000180	5,862	137,908
Local Assessing/Collecting	710,682,164	56,675,513	(4,087,068)	763,270,609	.000300	228,981	32,567,462	.000051	1,661	230,642
Total County Funds						2,008,928			79,172	2,088,100
School Districts:										
North Sanpete School Dist.	394,213,481	28,642,143	(2,235,707)	420,619,917	.006548	2,754,219	20,880,566	.006546	136,684	2,890,903
South Sanpete School Dist.	316,468,683	28,033,370	(1,821,361)	342,680,692	.008104	2,777,084	16,134,878	.008104	130,757	2,907,841
Total School Districts						5,531,304			267,441	5,798,745
Cities and Towns:										
Centerfield	24,848,046	1,388,574	-	26,236,620	.000745	19,546	1,309,724	.000757	991	20,538
Ephraim	96,659,087	3,177,713	(1,821,361)	98,015,439	.002260	221,515	6,321,391	.002230	14,097	235,612
Ephraim - Redevelopment	-	-	1,821,361	1,821,361	-	-	-	-	-	-
Fairview	27,584,154	3,346,778	-	30,930,932	.001561	48,283	1,043,053	.001575	1,643	49,926
Fayette	5,817,008	104,889	-	5,921,897	.000783	4,637	188,992	.000783	148	4,785
Fountain Green	22,787,395	902,971	-	23,690,366	.001597	37,834	490,088	.001632	800	38,633
Gunnison	43,457,336	4,192,350	-	47,649,686	.001624	77,383	2,591,543	.001601	4,149	81,532
Manti	67,410,229	3,845,946	-	71,256,175	.001736	123,701	2,453,005	.001751	4,295	127,996
Mayfield	13,421,198	296,944	-	13,718,142	.000869	11,921	166,532	.000858	143	12,064
Moroni	27,322,850	1,206,398	-	28,529,248	.003304	94,261	1,534,116	.003494	5,360	99,621
Mt. Pleasant	64,129,485	3,131,790	(2,235,707)	65,025,568	.002614	169,977	3,498,830	.002570	8,992	178,969
Mt. Pleasant - Redevelopment	-	-	2,235,707	2,235,707	-	-	-	-	-	-
Spring City	23,323,033	352,571	-	23,675,604	.001815	42,971	434,544	.001874	814	43,786
Sterling	5,463,453	1,056,771	-	6,520,224	.001057	6,892	340,455	.001050	357	7,249
Wales	6,456,363	233,085	-	6,689,448	.000443	2,963	1,373	.000420	1	2,964
Total Cities and Towns						861,884			41,791	903,674
Special Taxing Units:										
Water Conservancy District	710,682,164	56,675,513	(4,087,068)	763,270,609	.000330	251,879	32,567,462	.000336	10,943	262,822
Central Utah Water District	710,682,164	56,675,513	(4,087,068)	763,270,609	.000400	305,308	32,567,462	.000353	11,496	316,805
Indian Ridge Water Conser.	4,912,200	-	-	4,912,200	-	-	-	-	-	-
Sports Haven Water Conser.	10,349,030	-	-	10,349,030	-	-	-	-	-	-
Total Special Taxing Units						557,188			22,439	579,627
GRAND TOTALS						8,959,303			410,842	9,370,145

**SANPETE COUNTY
COUNTY TREASURER
STATEMENT OF TAXES CHARGED, COLLECTED AND DISBURSED
CURRENT AND PRIOR YEARS**

December 31, 2005

	Current Years Taxes				
	Taxes Charged	Treasurer's Relief			Total
		Unpaid Taxes	Abatements	Other	
TAXING UNITS					
County Funds:					
General	1,719,550	122,963	21,253	(566)	143,650
Assessing & Collecting - State	137,908	9,853	1,703	(24)	11,532
Assessing & Collecting-County	230,642	17,086	2,953	(1,352)	18,687
Total County Funds	2,088,100	149,902	25,909	(1,942)	173,869
School Districts:					
North Sanpete School District	2,890,903	236,054	31,806	25,591	293,451
South Sanpete School District	2,907,841	169,404	32,045	10,205	211,654
Total School Districts	5,798,744	405,458	63,851	35,796	505,105
Towns:					
Centerfield	20,538	1,517	278	10	1,805
Ephraim	210,612	14,705	2,628	(10,195)	7,138
Ephraim - Redevelopment District	25,000	-	-	-	-
Fairview	49,926	2,258	681	698	3,637
Fayette	4,785	311	47	(34)	324
Fountain Green	38,633	2,687	720	294	3,701
Gunnison	81,532	5,315	1,594	(43)	6,866
Manti	127,996	7,411	2,969	823	11,203
Mayfield	12,064	548	1,480	(1,380)	648
Moroni	99,621	6,108	1,715	833	8,656
Mt. Pleasant	150,969	19,283	4,017	(3,400)	19,900
Mt. Pleasant - Redevelopment District	28,000	-	-	-	-
Spring City	43,786	3,229	768	47	4,044
Sterling	7,249	359	127	57	543
Wales	2,964	276	23	(17)	282
Total Towns	903,675	64,007	17,047	(12,307)	68,747
Other:					
Sanpete Water Conservancy District	262,822	18,795	3,249	(83)	21,961
Central Ut. Water Conservancy District	316,805	22,781	3,938	(374)	26,345
Total Other	579,627	41,576	7,187	(457)	48,306
GRAND-TOTALS	9,370,146	660,943	113,994	21,090	796,027

Current Years Taxes		Other Collections				
Taxes Collected	Rate	Fee In Lieu	Misc. Collections	Delinquencies		Total Apportioned
				Tax	Interest/ Penalty	
1,575,900	91.65%	292,567	12,570	135,794	7,737	2,024,568
126,376	91.64%	23,937	1,049	14,384	1,012	166,758
211,955	91.90%	6,782	297	4,695	411	224,140
<u>1,914,231</u>	<u>91.67%</u>	<u>323,286</u>	<u>13,916</u>	<u>154,873</u>	<u>9,160</u>	<u>2,415,466</u>
2,597,452	89.85%	454,383	20,584	344,208	25,406	3,442,033
2,696,187	92.72%	515,182	21,690	186,025	8,479	3,427,563
<u>5,293,639</u>	<u>91.29%</u>	<u>969,565</u>	<u>42,274</u>	<u>530,233</u>	<u>33,885</u>	<u>6,869,596</u>
18,733	91.21%	6,013	155	2,357	111	27,369
203,474	96.61%	39,791	6,916	13,395	318	263,894
25,000	100.00%	-	-	-	-	25,000
46,289	92.72%	19,999	392	2,526	132	69,338
4,461	93.23%	1,641	37	197	6	6,342
34,932	90.42%	10,676	291	1,402	60	47,361
74,666	91.58%	17,134	598	4,888	209	97,495
116,793	91.25%	27,330	961	9,578	458	155,120
11,416	94.63%	3,738	93	510	11	15,768
90,965	91.31%	28,763	769	9,180	594	130,271
131,069	86.82%	47,625	1,118	14,507	750	195,069
28,000	100.00%	-	-	-	-	28,000
39,742	90.76%	12,521	338	3,170	164	55,935
6,706	92.51%	2,495	48	313	12	9,574
2,682	90.49%	1,313	22	364	18	4,399
<u>834,928</u>	<u>92.39%</u>	<u>219,039</u>	<u>11,738</u>	<u>62,387</u>	<u>2,843</u>	<u>1,130,935</u>
240,861	91.64%	44,683	1,959	26,951	1,867	316,321
290,460	91.68%	46,944	2,057	28,161	1,952	369,574
<u>531,321</u>	<u>91.67%</u>	<u>91,627</u>	<u>4,016</u>	<u>55,112</u>	<u>3,819</u>	<u>685,895</u>
<u>8,574,119</u>	<u>91.50%</u>	<u>1,603,517</u>	<u>71,944</u>	<u>802,605</u>	<u>49,707</u>	<u>11,101,892</u>

**SANPETE COUNTY
TAX COLLECTION TRUST FUND
CASH RECEIPTS AND DISBURSEMENTS**

For The Year Ended December 31, 2005

	Treasurer's Balance December 31, 2004	Tax Collection Receipts	Current Taxes Apportioned
Tax Collection Accounts:			
Current Years Taxes	-	8,519,617	(8,519,617)
Fee-In-Lieu	-	1,603,517	-
Redemption of Prior Years Taxes	-	845,833	-
Motor Carrier	-	66,621	-
Prepayments	54,503	-	(54,503)
Refunds	3,251	92,044	-
Judgement Levies	-	-	-
May Tax Sale	28,135	80,943	-
Interest	9,712	38,994	-
Forest Reserve	-	51,921	-
Total Collections	95,601	11,299,490	(8,574,120)
Taxing Units			
County General Fund:			
General	-	-	1,575,900
Assessing & Collecting - State	-	-	126,376
Assessing & Collecting-County	-	-	211,955
Schools:			
North Sanpete School District	654,085	-	2,597,453
South Sanpete School District	635,766	-	2,696,187
Cities and Towns:			
Centerfield	3,789	-	18,733
Ephraim	48,645	-	203,474
Ephraim - Redevelopment District	25,000	-	25,000
Fairview	12,607	-	46,289
Fayette	1,032	-	4,461
Fountain Green	6,447	-	34,933
Gunnison	19,999	-	74,666
Manti	23,546	-	116,793
Mayfield	2,079	-	11,416
Moroni	23,955	-	90,965
Mt. Pleasant	33,851	-	131,069
Mt. Pleasant - Redevelopment District	28,000	-	28,000
Spring City	9,303	-	39,741
Sterling	1,458	-	6,706
Wales	617	-	2,682
Other Districts:			
Sanpete Water Conservancy District	60,273	-	240,861
Central Utah Water Conservancy District	63,255	-	290,460
Total Due Taxing Units	1,653,707	-	8,574,120
GRAND TOTALS	1,749,308	11,299,490	-

<u>Fee-In-Lieu Apportioned</u>	<u>UPP and Miscellaneous Collections</u>	<u>Delinquent Taxes Apportioned</u>	<u>Total</u>	<u>Disbursements</u>	<u>Treasurer's Balance December 31, 2005</u>
-	-	-	-	-	-
(1,603,517)	-	-	-	-	-
-	-	(845,833)	-	-	-
-	(66,621)	-	-	-	-
-	-	-	-	-	-
-	-	-	95,295	25,918	69,377
-	-	-	-	-	-
-	-	-	109,078	80,943	28,135
-	-	-	48,706	-	48,706
-	-	-	51,921	51,921	-
<u>(1,603,517)</u>	<u>(66,621)</u>	<u>(845,833)</u>	<u>305,000</u>	<u>158,782</u>	<u>146,218</u>
292,567	12,570	143,531	2,024,568	2,024,568	0
23,937	1,049	15,396	166,758	166,758	0
6,782	297	5,106	224,140	224,140	0
454,383	20,584	369,614	4,096,119	3,524,370	571,749
515,182	21,690	194,504	4,063,329	3,352,123	711,206
6,013	155	2,468	31,158	25,184	5,974
39,791	1,593	7,234	300,737	247,920	52,817
-	-	-	50,000	25,000	25,000
19,999	392	2,658	81,945	64,264	17,681
1,641	37	203	7,374	6,471	903
10,676	291	1,462	53,809	45,206	8,603
17,134	598	5,097	117,494	95,323	22,171
27,330	961	10,036	178,666	148,741	29,925
3,738	93	521	17,847	15,022	2,825
28,763	769	9,774	154,226	130,663	23,563
47,625	1,118	15,257	228,920	199,407	29,513
-	-	-	56,000	28,000	28,000
12,521	338	3,334	65,237	57,711	7,526
2,495	48	325	11,032	8,400	2,632
1,313	22	382	5,016	4,511	505
44,683	1,959	28,818	376,594	318,158	58,436
46,944	2,057	30,113	432,829	362,957	69,872
<u>1,603,517</u>	<u>66,621</u>	<u>845,833</u>	<u>12,743,798</u>	<u>11,074,897</u>	<u>1,668,901</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>13,048,798</u>	<u>11,233,679</u>	<u>1,815,119</u>

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is used to assist in formatting, for easier reading)

COMPLIANCE SECTION

Kimball & Roberts

Certified Public Accountants

A Professional Corporation

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Phone 896-6488

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

The Honorable Board of County Commissioners
Sanpete County
Manti, Utah 84642

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of Sanpete County as and for the year ended December 31, 2005, which collectively comprise Sanpete County's basic financial statements and have issued our report thereon dated May 10, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

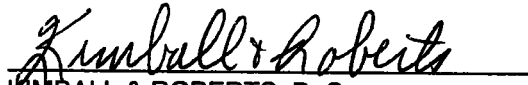
In planning and performing our audit, we considered Sanpete County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Sanpete County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The Honorable Board of County Commissioners
Sanpete County
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This report is intended solely for the information and use of the audit committee, management, County Commission and is not intended to be and should not be used by anyone other than these specified parties.


KIMBALL & ROBERTS, P. C.
Certified Public Accountants

May 10, 2006
Richfield, Utah

Kimball & Roberts

Certified Public Accountants

A Professional Corporation

Box 663

Richfield, Utah 84701

Phone 896-6488

AUDITOR'S REPORT ON STATE LEGAL COMPLIANCE

The Honorable Board of County Commissioners
Sanpete County
Manti, Utah 84642

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of Sanpete County, for the year ended December 31, 2005, and have issued our report thereon dated May 10, 2006. As part of our audit, we have audited Sanpete County's compliance with the requirements governing types of services allowed or unallowed; eligibility; matching, level of effort, or earmarking; reporting; special tests and provisions applicable to each of its major State assistance programs as required by the State of Utah Legal Compliance Audit Guide for the year ended December 31, 2005. The County received the following major State assistance programs from the State of Utah:

B Road Funds (Department of Transportation)
Liquor Law Enforcement (State Tax Commission)

The County also received the following nonmajor grants that are not required to be audited for specific compliance requirements: (However, these programs were subject to testwork as part of the audit of Sanpete County's financial statements.)

State PILT (Department of Natural Resources)
Bookmobile Grant (Department of Community and Economic Development)
Search and Rescue (Department of Public Safety)
Trapper Grant (Department of Agriculture)
Exercise and Training Grant (Department of Public Safety)
Economic Development (Department of Community and Economic Development)
Cert Grant (Department of Public Safety)
All Hazards Grant (Department of Public Safety)
Drug Investigation Grant (Department of Public Safety)
Highway Safety Grant (Department of Transportation)
Mosquito Abatement Grant (Department of Agriculture)

Our audit also included testwork on the County's compliance with those general compliance requirements identified in the State of Utah Legal Compliance Audit Guide, including:

Public Debt
Cash Management
Purchasing Requirements
Budgetary Compliance
Truth in Taxation & Property Tax Limitations
Liquor Law Enforcement
Justice Court
B & C Road Funds

Other General Issues
Uniform Building Code Standards
Statement of Taxes Charged
Collected & Disbursed
Assessing and Collecting of
Property Taxes
Transient Room Tax

The Honorable Board of County Commissioners
Sanpete County
Page -2-

The management of Sanpete County is responsible for the County's compliance with all compliance requirements identified above. Our responsibility is to express an opinion on compliance with those requirements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United State of America and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

The results of our audit procedures disclosed no instances of noncompliance with the requirements referred to above.

In our opinion, Sanpete County, complied, in all material respects, with the general compliance requirements identified above and the requirements governing types of services allowed or unallowed; eligibility; matching, level of effort, or earmarking; reporting; and special tests and provisions that are applicable to its major State assistance programs for the year ended December 31, 2005.


KIMBALL & ROBERTS, P. C.
Certified Public Accountants

May 10, 2006
Richfield, Utah